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Agenda item 127
Financial reports and audited financial statements, and reports of the Board of Auditors

Draft resolution submitted by the Chair of the Committee following informal consultations

Financial reports and audited financial statements, and reports of the Board of Auditors

The General Assembly,

Recalling its resolutions 64/268 of 24 June 2010 and 65/243 of 24 December 2010,

Having considered the financial report and audited financial statements for the twelve-month period from 1 July 2009 to 30 June 2010 and the report of the Board of Auditors on the United Nations peacekeeping operations[1] and the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2010,[2] as well as the report of the Advisory Committee on Administrative and Budgetary Questions on the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2010,[3]

1. *Accepts* the audited financial statements of the United Nations peacekeeping operations for the period from 1 July 2009 to 30 June 2010;[1]

2. *Takes note* of the observations and endorses the recommendations contained in the report of the Board of Auditors;[4]

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[1] *Official Records of the General Assembly, Sixty-fifth Session, Supplement No. 5* (A/65/5), vol. II.
[2] A/65/719.
[3] A/65/782.
[4] *Official Records of the General Assembly, Sixty-fifth Session, Supplement No. 5* (A/65/5), vol. II, chap. II.

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3. *Also takes note* of the observations and endorses the recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions;[3]

4. *Commends* the Board of Auditors for the continued high quality of its report and the streamlined format thereof;

5. *Notes* the enhanced coordination among the Board of Auditors, the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions, and welcomes the timely submission of the relevant reports on peacekeeping operations;

6. *Notes with encouragement* that there were improvements in the financial and administrative management of peacekeeping operations, and expects that these trends will be sustained in future financial periods;

7. *Takes note* of the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2010;[2]

8. *Recalls* paragraph 7 of its resolution 64/268, and reiterates the need to strengthen administrative and institutional measures to address the root causes of recurring issues and to minimize the ageing of the Board's previous recommendations;

9. *Notes with concern* the recurrence of problems previously identified by the Board of Auditors in regard to the management of expendable and non-expendable property;

10. *Requests* the Secretary-General to ensure the full implementation of the recommendations of the Board of Auditors and the related recommendations of the Advisory Committee in a prompt and timely manner;

11. *Stresses* the importance of the Secretary-General's stewardship and management of assets for peacekeeping, including expendable and non-expendable property and strategic deployment stocks, and reiterates its requests to the Secretary-General to strengthen internal controls in the management of those assets to ensure adequate safeguards that would prevent waste and financial loss to the Organization;

12. *Notes* paragraphs 27 to 34 of the report of the Board of Auditors,[4] expresses its concern at the creation of a large amount of unliquidated obligations at the end of the financial year and the risk of applying the amount reserved during the current-year budget to the following year, and notes with concern the increase in the cancellation of unliquidated obligations compared with the previous financial year;

13. *Requests* the Secretary-General to adhere to the criteria for the creation and cancellation of obligations and to strengthen internal controls in the management of these matters, and also requests the Secretary-General to entrust the Office of Internal Oversight Services with assisting in that regard;

14. *Also requests* the Secretary-General to continue to indicate an expected time frame for the implementation of the recommendations of the Board of Auditors and the priorities for their implementation, including the office holders to be held accountable and measures taken in that regard;

15. *Recalls* section D of its resolution 64/259 of 29 March 2010, and requests the Secretary-General to reinforce his efforts to ensure that managers are effectively held accountable for the implementation of the recommendations of the Board of Auditors through the identification of priorities, clear time frames and an assessment of actions taken in that regard, in the context of the assessment of managers' performance mechanisms, including sanctions in case of recurrent non-compliance, and to continue to report thereon in the context of the report of the Secretary-General on the implementation of the recommendations of the Board;

16. *Requests* the Secretary-General to provide, in the next report on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations, a full explanation for the delays in the implementation of all outstanding recommendations of the Board, the root causes of the recurring issues and the measures to be taken;

17. *Recalls* paragraph 5 of its resolution 65/243, and requests the Secretary-General to ensure that adequate and specific plans for peacekeeping operations are in place to address matters relating to expendable and non-expendable property in order to serve as a basis for preparations for the implementation of the International Public Sector Accounting Standards;

18. *Stresses* that the leadership and commitment of senior managers to the implementation strategy of the enterprise resource planning project, Umoja, will be critical to the successful adoption of the International Public Sector Accounting Standards, and requests the Secretary-General to take all necessary measures to this end;

19. *Recalls* paragraphs 32 and 33 of the report of the Advisory Committee on Administrative and Budgetary Questions[3] and paragraph 14 of its resolution 64/268, and welcomes the willingness of the Board of Auditors to conduct performance audits;

20. *Requests* the Advisory Committee to request the Board of Auditors to submit to the General Assembly at its sixty-sixth session, in coordination with the Office of Internal Oversight Services and the Administration, a comprehensive proposal in this regard, including its impact with respect to the Financial Regulations and Rules of the United Nations.[5]

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[5] ST/SGB/2003/7.